



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Washington, D.C. 20240

IN REPLY REFER TO:

DIRECTOR'S ORDER NO. 175

Subject: Useful Life of Capital Improvements Funded by Federal Assistance Grants

Sec. 1 What is the purpose of this Order? This Order provides guidance for determining the useful life of capital improvements in grants awarded through the Wildlife and Sport Fish Restoration Programs.

Sec. 2 To whom does this Order apply? This Order applies to all Service personnel who administer grants funded through the Wildlife and Sport Fish Restoration Programs.

Sec. 3 What are the authorities for taking this action?

- a. 16 U.S.C. 777.
- b. 16 U.S.C. 669.
- c. 50 CFR 80.17.
- d. 50 CFR 80.18(c).
- e. 50 CFR 80.20.
- f. Statement of Federal Financial Accounting Standards No. 6. Accounting for Property, Plant, and Equipment.

Sec. 4 What is the definition of useful life and capital improvements? Useful life is the period of time during which a federally funded capital improvement is capable of fulfilling its intended purpose with adequate, routine maintenance. Capital improvements (construction projects) are a subset of real property that increases the value of the real property and include:

- a. Bridges.
- b. Boat ramp or docks.
- c. Educational centers or visitor stations.
- d. Facilities or buildings.
- e. Fish hatcheries.
- f. Fishing piers.

- g. Residences.
- h. Roads or trails.
- i. Water control structures.
- j. Water treatment facilities.

Sec. 5 How is the period of time used to define useful life in the grant agreement determined? For capital improvements funded by a grant agreement, the State must propose and identify a useful life for that capital improvement. Approval of the grant agreement will represent concurrence by the Service for the final determination of useful life. Regardless of the value of the capital improvement, the State must specify a useful life in the grant agreement. For capital improvements with a value greater than \$100,000, States must reference the method used to determine the useful life. Acceptable methods to determine useful life include but are not limited to the State's standards to determine design life of the improvement or other established methods for defining useful life. The identified useful life of a capital improvement may be shortened by catastrophic events or lengthened by additional construction or rehabilitation projects supported by Federal Assistance funding.

Sec. 6 What is the responsibility of the State fish and wildlife agency for the capital improvement during its useful life? States are responsible for the accountability and control of all Federal Assistance-funded capital improvements throughout their useful life to assure that they serve the purpose for which acquired ([50 CFR 80.18\(c\)](#)). States are also responsible for maintenance of all capital improvements acquired or constructed with Federal Assistance funds throughout the useful life of each improvement ([50 CFR 80.17](#)) and for the control of lands and waters on which capital improvements are made with Federal Assistance funds throughout the useful life of the improvement ([50 CFR 80.20](#)).

Sec. 7 What is the responsibility of the State fish and wildlife agency for the capital improvement after the useful life has ended? Once the useful life has ended, the State has no further responsibility for the capital improvement stemming from the use of Federal Assistance funding for construction. However, the State may have continuing responsibility for the capital improvement for other reasons. These reasons may include (a) Federal Assistance funding of operations and maintenance beyond the useful life, or (b) Federal Assistance funding of renovation or major repair that extends the useful life of the capital improvement, consistent with sections 4 and 5 of this Order. Beyond the useful life of the capital improvement, a Federal interest remains in the underlying lands, if acquired with Federal Assistance funds, unless approved by the Service for disposal.

Sec. 8 How should the Service address the useful life of capital improvements funded by grants that were approved prior to the issuance of this Order? Capital improvements funded in grants approved prior to the issuance of this Order (whether currently open or closed) are still subject to the Federal Assistance Program rules cited in section 6, even if the duration of that useful life has not been specified in the grant agreement. Upon issuance of this Order, a State may choose to communicate in writing to the Service the remaining useful life of current capital improvements. In any event, if the need arises to clarify the useful life

of such grant funded capital improvements, the Service will work with the State to establish the useful life based on the principles of section 5.

Sec. 9 What is the effective date of this Order? This Order is effective immediately. We will include the contents of this Order in Part 522 of the Fish and Wildlife Service Manual. This Order will expire on September 30, 2005, unless amended, superseded, or revoked.

A handwritten signature in black ink, appearing to read "Steve Williams". The signature is fluid and cursive, with the first name "Steve" and last name "Williams" clearly distinguishable.

DIRECTOR

Date: September 15, 2004